

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

FILE: B-218695

DATE: October 30, 1985

MATTER OF: ABF Freight System, Inc. (East Texas
Motor Freight)

DIGEST: A motor carrier that delivered a Government shipment and billed for the services contends that since another carrier picked up and transported the shipment before transferring it for further transportation and delivery, the transportation constituted a joint-line movement requiring the application of joint-line rates. The General Services Administration's audit determination, that the delivering carrier's lower single-line rates were applicable, is sustained because the record shows that the delivering carrier, having the necessary operating authority, agreed to transport the shipment from origin to destination at single-line rates. The fact that the billing carrier elected to allow another carrier to pick up the shipment is irrelevant.

ABF Freight System, Inc. (ABF), asks the Comptroller General to review deduction action taken by the General Services Administration against ABF to recover an overcharge collected by East Texas Motor Freight Lines for transportation of a Government shipment. We sustain the General Services Administration's action.

Facts

The record contains a copy of Government Bill of Lading S-4081164, issued July 20, 1982, by the transportation officer, Anniston Army Depot, Alabama, to procure the transportation of two pallets of machinery parts, weighing 815 pounds, from Anniston to Fort Ord, California. The name of the transportation company shown on the Government Bill of Lading is "East Texas Motor Freight Lines." It shows the shipment was routed "via ETMF" and the notation "PER ETMF" appears with a signature indicating receipt by that carrier.

East Texas Motor Freight Lines billed and collected freight charges for transporting the shipment from origin to destination. The charges apparently were based on

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joint-line rates (more than one carrier) on the assumption that another carrier picked up the shipment and provided line-haul transportation before transferring it to East Texas for further transportation and delivery. The General Services Administration stated an overcharge against East Texas using lower single-line rates offered in their Tender No. 668 on the theory that if another carrier was involved it acted merely as an agent of East Texas rather than as a joint interline carrier. The General Services Administration represents that East Texas had the necessary operating authority to transport the shipment from origin to destination.

Collection action was taken against ABF Freight System which, apparently, accepts responsibility for claims against East Texas^{1/} but contests the validity of the overcharge. ABF disputes the General Services Administration's premise that the other carrier, which ABF identifies as AAA Cooper, was East Texas' agent. ABF represents that AAA Cooper advised that it was acting as a principal when it picked up the shipment and transported it to Birmingham, Alabama, where it was transferred to East Texas, apparently on interline account.

Discussion

The relevant inquiry in this case is whether East Texas agreed with the Government to transport the shipment from origin to destination at single-line rates offered in Tender No. 668.

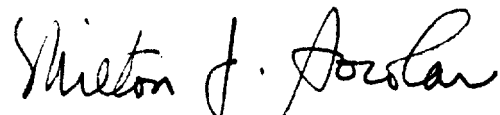
The bill of lading operates as the contract of carriage between the shipper and the initial carrier. See Navajo Freight Lines, Inc., B-189382, January 6, 1978. The carrier is responsible for transportation at the agreed rates. The Government Bill of Lading shows that it was issued to East Texas; that the shipment was intentionally routed via East Texas and that it was received "per ETMF." These facts present compelling evidence that East Texas was

^{1/} The General Services Administration advises that ABF Freight System has formally adopted East Texas' operations and has the responsibility for settling all of East Texas' claims.

the initial carrier under the Government Bill of Lading contract as well as the delivering carrier. East Texas apparently had the requisite operating authority to transport the shipment from Anniston to Fort Ord. This record thus establishes that East Texas agreed to transport the shipment from origin to destination, and its Tender No. 668 represented a continuous offer to perform such transportation at the single-line rates published therein.

The operational details East Texas selected to perform the transportation, including the use of another carrier, have no legal effect on the mutual obligations of East Texas and the Government under the contract of carriage. Thus, regardless of the number of carriers East Texas engaged for the actual transportation, the record shows convincingly that East Texas agreed to transport the shipment from origin to destination at single-line rates. B-144154, April 2, 1962.

Accordingly, the single-line rates used by the General Services Administration in its audit were applicable and the overcharge notices were valid; thus, the General Services Administration's action is sustained.

for 
Comptroller General
of the United States